



Health Plan Benefits Group

TO: Exclusive Drug Card Sponsors

FROM: Marla Kilbourne /s/
Director, Division of Enrollment and Payment Operations

DATE: May 24, 2004

SUBJECT: Medicare Discount Drug Card Enrollment Process for Managed Care Organizations (MCOs) that are Exclusive Drug Card Sponsors –
INSTRUCTIONS TO SUBMIT OPT OUT TRANSACTIONS

This letter provides instructions for submitting transactions to identify those members who have chosen to “opt out” (decline) of the discount card only (referred to as “nonTA”). CMS must distinguish between those that are disenrolling from the drug card and those that declined the benefit and, therefore, never enrolled in the drug card. Those beneficiaries who decline may enroll in your drug card at a later date.

Submission of these “opt out” transactions is based upon the option you have chosen to submit transactions to CMS, as outlined in the March 31, 2004, letter on the Group Enrollment Process, as follows:

- **Option 1:** MCOs contract with Systems Management Specialists (SMS) to submit drug card enrollment information (for TA and nonTA members) directly to the Drug Card Enrollment and Eligibility Verification System (EEVS).

The MCO/SMS action to submit the opt out is to submit a transaction to EEVS with disenrollment reason code 023 - “Cancellation of enrollment due to beneficiary declining MCO group enrollment.”

- **Option 2:** MCOs submit drug card enrollment information (for TA and nonTA members) directly to the EEVS.

The MCO action to submit the opt out is to submit a transaction to EEVS with disenrollment reason code 023 - “Cancellation of enrollment due to beneficiary declining MCO group enrollment.”

- **Option 3:** MCOs submit nonTA drug card information to the Group Health Plan (GHP) system and submit (or contract with SMS to submit) TA drug card information to EEVS. A data element has been added to the transaction type 02 for disenrollments - an “opt out” flag.

The MCO action to submit the opt out is to submit a disenrollment transaction type 02 (i.e. Action Code “I”) and set the opt out flag to “Y” (See the attached revised layout.)

Contact Information

If you have any questions regarding this format change, please contact your central office technical representative as indicated below.

If your MCO is located in the Boston, New York, Philadelphia, Kansas City, Denver or San Francisco regions, contact Sarah Brown on 410.786.6358 or Sbrown1@cms.hhs.gov.
If your MCO is located in the Atlanta, Chicago, Dallas or Seattle regions, contact Sue Hartmann on 410.786.6192 or shartmann@cms.hhs.gov.

Attachment

ATTACHMENT A

TRANSACTION TYPE 02 - DRUG CARD ENROLLMENT/DISENROLLMENT

FIELD	SIZE	POSITION	REMARKS
Claim Number	12	1 – 12	Beneficiary's Health Insurance Claim Number (HIC #)
Surname	12	13 – 24	Beneficiary's Last Name
First Name	7	25 – 31	Beneficiary's First Name
Middle Initial	1	32	Beneficiary's Middle Initial
Action Code	1	33	H = Drug Card Enrollment I = Drug Card Disenrollment
Filler	13	34 – 46	Spaces
Drug Card Sponsor ID Number	5	47 – 51	Sponsor identification number Format: DXXXX
Date of Birth	8	52 – 59	Beneficiary's Date of Birth Format: YYYYMMDD
Transaction Code	2	60 – 61	Transaction code = 02
Product ID Number	3	62 – 64	Drug card product identification number. Format = XXX
Enrollment/Disenrollment Effective Date	8	65 – 72	Effective date of the enrollment/disenrollment. Format = YYYYMMDD
Sex	1	73 - 73	Gender of the Beneficiary Format: M = Male and F = Female
Opt Out Flag	1	74	Y = Beneficiary opted out of card Spaces = Beneficiary did NOT opt out of card
Filler	6	75 - 80	Spaces